**Encouraging Private Sector Investment in Electric Vehicle Charging Infrastructure**

Arizonans for Affordable Clean Energy (AACE) is pursuing legislation to ensure a competitive market for the rollout of commercial electric vehicle (EV) charging throughout Arizona. The private sector fueling industry is ready and willing to add EV charging to its fueling options for customers to keep up with demand shifts in the marketplace. However, in several states utilities have undercut the private sector by building out commercial charging station that compete with the private sector using ratepayer dollars and wholesale electricity rates. This legislation would prohibit Arizona utilities from doing the same, which will provide the certainty necessary for the private sector to make these investments to stay ahead of consumer demand. The legislation will:

* **Prohibit utilities from using ratepayer dollars to fund commercial EV charging infrastructure**
  + Many electric utilities around the country are bundling into their rate base the costs of chargers and operating retail facilities for commercial EV charging, guaranteeing a substantial rate of return that gives them a significant market advantage over true private sector enterprises.
  + Make-ready infrastructure, which ensures grid readiness and suitable electricity supply to the point of charging, are important functions that are an appropriate use of ratepayer dollars.
  + Shifting the costs of commercial EV charging infrastructure onto the general population disproportionately affects seniors and low-income residents who are least likely to own an EV.
* **Require utility-owned commercial charging stations to pay the same rates for electricity as similarly situated commercial accounts rather than wholesale costs.**
  + Where ratepayer dollars are not used, utilities can still have a significant advantage by not charging themselves the same electricity rates as their customers, allowing their EV charging rates to be substantially discounted from what a fueling station could provide. This legislation ensures that a utility competing in the commercial EV charging space would pay the same rates as its competitors to ensure a level playing field in the marketplace.
* **Encourage a statewide policy addressing demand charges for EV charging**
  + One significant policy hurdle for commercial EV charging is demand charges. Demand charges are typically a charge by the utility for the highest amount of electricity usage during a specified time frame by a customer in a billing cycle. These demand charges are intended to encourage customers to spread their usage out versus have periods of high demand on the system.
  + While demand for EV charging is still unpredictable, demand charges can unexpectedly create huge fluctuations in a customer’s utility bill that won’t be known until the next billing cycle. This makes it difficult for the fueling industry to have transparent pricing for consumers and ensure consumers pay the best price possible for their charging needs.
  + Given the roles of the Legislature and the Arizona Corporation Commission (ACC) in the policy setting and ratemaking process, the legislation identifies a statewide policy favoring transparent pricing alternatives to demand charges but leaves the rates within the purview of the ACC.

This legislation will provide market certainty for the fueling industry to make the capital investments necessary to build out EV charging infrastructure in Arizona. It ensures a level playing field for commercial EV charging, encourages the use of private capital vs public or ratepayer dollars, and accelerates EV charging buildout in the most efficient manner possible.

**We strongly encourage your support FOR PRIVATE SECTOR INVESTMENT IN EV CHARGING.**

**Questions?**

Kelsey Lundy (602) 617-7570 or [klundy@compassstrategiesaz.com](mailto:klundy@compassstrategiesaz.com)